

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on January 22, 2001 at 9:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Gary Matthews, Vice Chairman (D)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Roy Brown (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Dennis Himmelberger (R)  
Rep. Jim Keane (D)  
Rep. Rick Laible (R)  
Rep. Bob Lawson (R)  
Rep. John Musgrove (D)  
Rep. Allen Rome (R)  
Rep. Donald Steinbeisser (R)  
Rep. James Whitaker (R)

**Members Excused:** Rep. Rod Bitney, Vice Chairman (R)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Carol C. Juneau (D)  
Rep. William Price (R)  
Rep. Brett Tramelli (D)

**Members Absent:** None.

**Staff Present:** Gordon Higgins, Legislative Branch  
Jane Nofsinger, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB308, HB309, 1/17/2001  
Executive Action: HB309, HB198

HEARING ON HB309

Sponsor: REP. CINDY YOUNKIN, HD28, Bozeman

Proponents: Gloria Hermanson, Montanan Association of  
Ambulatory Surgi-Centers

Opponents: None

Opening Statement by Sponsor:

REP. CINDY YOUNKIN, HD28 Bozeman, stated this bill will add a category to the Health Care Provider Lien Laws which should have been included. This category is ambulatory surgical centers. The bill also would provide an immediate effective date. REP. YOUNKIN said outpatient surgery is a relatively new concept and her house district in Bozeman included some outpatient surgery centers.

Proponents' Testimony:

Ms. Hermanson testified the ambulatory surgical centers should have been included in the first place but there were not very many in existence when the act was passed.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. BOOKOUT-REINICKE asked if denturists were excluded by the act and would discuss that definition further in Executive Action.

REP. LAIBLE asked if the patient was uninsured, were there lien rights. REP. YOUNKIN replied she did not know for sure but thought so.

Closing by Sponsor:

REP. YOUNKIN said it was clear the ambulatory surgical centers needed to be included in the Health Care Provider Lien Laws.

*{Tape : 1; Side : A; Approx. Time Counter : 8}*

HEARING ON HB308

Sponsor: REP. CINDY YOUNKIN, HD28, Bozeman

Proponents: None

Opponents: Mark Staples, Montana Tavern Association  
Rich Miller, Montana Gaming Assn.

**Opening Statement by Sponsor:**

**REP. YOUNKIN** said this act reduces from 5 years to 1 year the time period in which an all-beverages liquor license may be transferred, mortgaged, or pledged as security. She stated that 5 years was too long and unreasonable an amount of time and it placed a restraint on free trade.

**Proponents' Testimony:** None

**Opponents' Testimony:**

**Mr. Staples** said he was an opponent with an amendment which if accepted would allow him to support this bill. He explained the bill applied to floater licenses, which are those licenses transferred from cities where population has declined and sold to areas where there is an increase in population. He said the reason the 5 year term was in the law was to keep individuals from trafficking in licenses and to make sure the buyer was actually interested in running a business and not just buying and reselling licenses. He suggested amending the bill to a 3 year term which was still long enough to show the people were serious about opening and running a business, and short enough to allow them to transfer the license if they needed to get out of the business.

**Mr. Miller** said he had no objection to the change except to agree with **Mr. Staples** that the transfer time should be set at a limit which would show the people are serious and not trafficking in licenses.

**Informational Witness: Neal Peterson, Department of Revenue**  
**Gene Huntington, Gambling Control Division**

**Questions from Committee Members and Responses:**

**REP. LAIBLE** asked **Mr. Staples** about the population requirements. **Mr. Staples** said the requirements are based on population which is determined by the census.

**REP. LAIBLE** asked **REP. YOUNKIN** what she thought about changing the time to 1, 2, or 3 years. She answered that even though she had not talked to her constituents, she thought they would be amenable to it. She pointed out these businesses are typically small, family-owned situations who, when they want or need to sell the whole business, are basically strapped to the liquor license.

**Closing by Sponsor:**

**REP. YOUNKIN** said for an honest businessman this 5 year ban on transfer is an unreasonable restraint on trade. She said her constituents just want to be able to sell. Perhaps there used to be a brokerage problem with liquor licenses, she told the committee, but she further stated she had never seen a problem in her practice of law.

**{Tape : 1; Side : B; Approx. Time Counter : 0}**

**EXECUTIVE ACTION ON HB309**

**Motion:** **REP. GALLIK** moved that **HB309 DO PASS AS AMENDED.**

**Discussion:**

**REP. GALLIK** said this was the first building block of a virtual one-stop shopping portal into Montana. He said the bill will show the legislature recognizes the need for this internet presence and their intent to move forward in the future.

**REP. BROWN** asked if the Department of Commerce said it would have no cost. **REP. GALLIK** said that was right.

**REP. BROWN** asked if the university system was doing something similar.

**REP. GALLIK** said the university had a \$400,000 grant to do something similar, and they were working hand-in-hand with the Department of Commerce.

**REP. BOOKOUT-REINICKE** asked if this would replace the old printed directory of Montana businesses.

**REP. GALLIK** answered this was another tool for commerce in addition to the printed directory.

**CHAIRMAN MCKENNEY** asked if the amendment changed the site to include only Montana-made products whereas the original bill would set up a web site for all businesses.

**REP. GALLIK** said yes, the original bill said any business in Montana and this had driven the cost up so the bill was amended to bring the price tag down.

**REP. BROWN** asked **REP. GALLIK** if this was creating an opportunity for the university to put off costs to the general fund and use grant dollars for something else if this was put into statute. He also said when a bill which has an idea is changed so it has no cost, then it loses its original purpose. He also stated the Department of Commerce was already doing a similar website. He said he did not like to put things into statute which did not have any effect.

**REP. GALLIK** replied that **REP. BROWN** might be right but he saw this as a first step for the legislature to take rather than taking a wait and see attitude.

**REP. LAIBLE** said it appeared there are two competing programs funded by taxpayers which basically do the same thing. He added eventually the legislature will be asked for funding of this program.

**REP. KEANE** told the committee they should either join up or get out of the way.

**REP. PRICE** asked if the university would do a website for each business.

**REP. GALLIK** replied he did not know what they would do other than give guidance and assistance.

**Vote:** Motion **carried 14-5 with Bitney, Brown, Himmelberger, Laible, and McKenney voting no.**

**EXECUTIVE ACTION ON HB309**

**Motion/Vote:** **REP. LAWSON** moved that **HB309 DO PASS. Motion carried unanimously.**

**ADJOURNMENT**

Adjournment: 9:50 A.M.

---

REP. JOE MCKENNEY, Chairman

---

JANE NOFSINGER, Secretary

JM/JN

**EXHIBIT** (buh17aad)